



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 118

Chairperson: Rich Pahls
Committee: Banking, Commerce and Insurance
Date of Hearing: January 22, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 118 is a bill introduced by the Banking, Commerce and Insurance Committee, at the request of the Nebraska Department of Insurance, and would do the following:

The bill would require the Comprehensive Health Insurance Pool Act to specify that an individual who seeks Comprehensive Health Insurance Pool (CHIP) coverage based upon eligibility other than that required by HIPAA is ineligible for CHIP coverage if he or she is eligible for group coverage. This is designed to tighten the prohibitions against “dumping”, where an insurance producer provides a quote for a healthier group, then sheds a sick employee to CHIP for coverage instead. (Section 44-4221 of the Comprehensive Health Insurance Pool Act.) (Section 1 of the bill.)

The bill would specify that an individual is ineligible for CHIP coverage if the premium for such coverage is paid by someone who is not related by blood, marriage, or adoption, or if such individual refuses to provide information requested by the pool administrator. This provision is designed to discourage persons who may pay some or the entire premium for indigent people who otherwise qualify for Medicaid in order to take advantage of higher reimbursement rates paid by the Comprehensive Health Insurance Pool. (Section 44-4222 of the Comprehensive Health Insurance Pool Act.) (Section 2 of the bill.)

The bill would grant the CHIP administering insurer explicit authority to collect information to determine whether an applicant is eligible for coverage under the medical assistance program. Individuals who are eligible for coverage under the medical assistance program are currently ineligible to participate in the Comprehensive Health Insurance Pool. The bill would explicitly authorize state agencies to provide such information. (Section 44-4224 of the Comprehensive Health Insurance Pool Act.) (Section 3 of the bill.)

Principal Introducer:

Rich Pahls, Chairperson
Committee on Banking, Commerce and Insurance